

The House Committee on Rules offers the following substitute to SB 83:

A BILL TO BE ENTITLED
AN ACT

To amend Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to ad valorem tax exemptions, so as to provide a homestead exemption in the amount of \$2,000.00 of the assessed value of a homestead in this state with respect to all ad valorem taxes for all residents of the state over a two-year phase-in period; to provide for automatic future adjustments of the exemption amount; to provide for a short title; to provide for definitions; to specify the terms and conditions of the exemption and the procedures relating thereto; to provide for a referendum; to provide for effective dates; to provide for applicability; to provide for automatic repeal under certain circumstances; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to ad valorem tax exemptions, is amended by adding a new Code section to read as follows:

"48-5-44.1.

(a) This Code section shall be known and may be cited as the 'Index Adjusted Homestead Exemption.'

(b) As used in this Code section, the term:

(1) 'Ad valorem taxes' means all state ad valorem taxes; all county ad valorem taxes for county purposes levied by, for, or on behalf of a county; all county school district and independent school district taxes for educational purposes levied by, for, or on behalf of a school district; and all municipal taxes for municipal purposes levied by, for, or on behalf of a municipality; provided, however, that for purposes of this Code section, such term shall not include any ad valorem taxes to pay interest on and to retire bonded indebtedness.

(2) 'Homestead' means homestead as defined and qualified in Code Section 48-5-40.

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(c)(1) Each resident of the state is granted an exemption on that person's homestead from all ad valorem taxes:

(A) For the taxable year beginning on or after January 1, 2011, and prior to January 1, 2012, in the amount of \$1,000.00 of the assessed value of that homestead; and

(B) For all taxable years beginning on or after January 1, 2012, in the amount of \$2,000.00 of the assessed value of that homestead.

(2) For all taxable years beginning on or after January 1, 2013, the exemption amount shall be increased by a percentage equal to the cost-of-living index. No adjustment shall be made in any year in which the cost-of-living index decreases from the percentage amount of such index for the preceding year. The commissioner shall establish and maintain rules governing cost-of-living adjustments. Such rules shall include the determination and use of an appropriate cost-of-living index which reflects the effects of inflation and deflation on persons receiving benefits in the State of Georgia. The rules may use for this purpose the Consumer Price Index as reported by the Bureau of Labor Statistics of the United States Department of Labor or any other similar index established by the federal government, if the commissioner determines that such federal index reflects the effects of inflation and deflation on persons receiving benefits in the State of Georgia.

(3) The value of that property in excess of such exempted amount shall remain subject to taxation.

(d) A person shall not receive the index adjusted homestead exemption granted by subsection (c) of this Code section unless the person or person's agent files an application with the tax commissioner of the county in which that person resides giving such information relative to receiving such exemption as will enable the tax commissioner to make a determination regarding the initial and continuing eligibility of such person for such exemption. The tax commissioner shall provide application forms for this purpose.

(e) The index adjusted homestead exemption shall be claimed and returned as provided in Code Section 48-5-50.1. Such exemption shall be automatically renewed from year to year as long as the person occupies the residence as a homestead. After a person has filed the proper application as provided in subsection (d) of this Code section, it shall not be necessary to make application thereafter for any year and such exemption shall continue to be allowed to such person. It shall be the duty of any person granted the index adjusted homestead exemption under this Code section to notify the tax commissioner of the county in which that person resides in the event that person for any reason becomes ineligible for that exemption.

(f) The index adjusted homestead exemption granted by subsection (c) of this section shall be in addition to and not in lieu of any other homestead exemption notwithstanding any provision of any other homestead exemption to the contrary."

SECTION 2.

Unless prohibited by the federal Voting Rights Act of 1965, as amended, the Secretary of State shall call and conduct a special election as provided in this section for the purpose of submitting this Act to the electors of the State of Georgia for approval or rejection. The Secretary of State shall conduct that special election on the date of the November, 2010, state-wide general election. The Secretary of State shall issue the call and conduct that special election as provided by general law. The Secretary of State shall cause the date and purpose of the special election to be published in the official organ of each county in the state once a week for two weeks immediately preceding the date of the special election. The ballot shall have written thereon the following:

"() YES Shall the Act be approved which provides for a state-wide \$2,000.00
() NO homestead exemption over a two-year phase-in period with automatic future
index adjustments?"

All persons desiring to vote for approval of the Act shall vote "Yes," and those persons desiring to vote for rejection of the Act shall vote "No." If more than one-half of the votes cast on such question are for approval of the Act, then Section 1 of this Act shall become effective on January 1, 2011, and shall be applicable to all taxable years beginning on or after January 1, 2011. If the Act is not so approved or if the special election is not conducted as provided in this section, Section 1 of this Act shall not become effective and this Act shall be automatically repealed on the first day of January immediately following that special election date.

SECTION 3.

Except as otherwise provided in Section 2 of this Act, this Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

SECTION 4.

All laws and parts of laws in conflict with this Act are repealed.